

City Council of the Mayor and Council of New Castle
Special Council Budget Workshop Meeting
Town Hall – 201 Delaware Street – New Castle
Tuesday – May 24, 2011 – 6 p.m.

Present:

Council President William Barthel
Councilperson John Cochran
Councilperson John Gaworski
Councilperson Ted Megginson
Councilperson Teel Petty

Also present: Mayor Donald Reese, Treasurer Janet Carlin, Administrator Cathryn Thomas, Finance Director Marian Delaney

Review Budget Requests

6:00 p.m. New Castle County Economic Development Initiative

Karl Kalbacher, director of economic redevelopment at New Castle County, gave a presentation on the initiative, the Route 9/Route 13 Corridor Economic Development plan. Much of the area is in the unincorporated area but much is in the City too. The area selected for the plan is bounded by the southern boundary of Wilmington, on the west is Route 13 and the New Castle County Airport, to the south is the City of New Castle and to the east is the Delaware River. They are seeking federal grant funding from the U.S. Economic Development Administration, under the Department of Commerce.

He provided a brief overview of the grant process. They have received about a half-dozen letters of support for the grant application. The application is ready to go to EDA for review. An outcome of the study is to hire a consultant to do the economic development assessment. The hope is received \$30,000 or more in grant funds.

New Castle County proposes to be the lead and has committed \$30,000. Delaware River & Bay Authority has committed \$5,000 and they are seeking commitment of at least \$10,000 from the Delaware Economic Development Office.

The EDA wants to see challenges of an area. Those challenges in the target area include areas of substantial unemployment, wages which are depressed and higher levels of crime. There are also environmental issues with properties.

The plan will guide economic development and outlines short- and long-term steps needed. Some areas among the goals are marketing efforts, expanded tourism, job training, education and infrastructure.

Mr. Kalbacher said they believe the City of New Castle will greatly benefit from the program. They also are seeking money from Norfolk Southern Railroad and Wilmington University. The

EDA would match all the contributions. He requested the City consider contributing \$5,000. They also are seeking the City's support and participation.

President Barthel asked how he came up with the figures.

Mr. Kalbacher said the study for the City of Newark, the same geographic area as the corridor, cost about \$70,000. So they aimed to raise at least \$70,000, with the matches.

Administrator Thomas said the initiative could benefit the downtown area and shops, but also the industrial parks. She asked whether the plan would look at job and business retention.

Mr. Kalbacher said the plan would include that.

Mrs. Thomas asked about the Johnson Controls plant that expanded into Middletown after approaching the City.

Mr. Kalbacher said he was aware of the project and the County did offer a proposal. Middletown offered 10 years of property tax exemption. The County offered two years, no harm. The Middletown offer was not something the County could compete with and he questioned the positives of Middletown making that offer.

He said one of the best ways to be prepared is to plan ahead.

6:30 p.m. Department Budgets: City Council, Administration, Finance and Human Resources

Finance Director Delaney went through the City Council, Administration, Finance and Human Resources areas of the budget line by line.

City Council, City Clerk and City treasurer salaries are unchanged. The \$100,000 annual commitment for the Library capital project ends the current fiscal year and has been paid.

For the next audit, fiscal year 2011 the City will be advertising to bid it and also with the ARRA funding the audit cost could be double.

Councilperson Megginson made a motion to adjourn the meeting into an Executive Session to Discuss the FOP Union Negotiations. Councilperson Gaworski second the motion. The motion passed unanimously.

The budget workshop was adjourned at 7:14 p.m.

Respectfully submitted,

Michael Dickinson
New Castle City Clerk